



If you suspect that Medicaid fraud or abuse and neglect has occurred in a Medicaid facility or has been committed by someone working for a Medicaid provider, immediately contact Adult Protective Services and your local police department. Then, report the incident to the Medicaid Fraud Control Unit (MFCU) of the Office of the Virginia Attorney General at **1-800-371-0824** or **804-371-0779**.

# Virginia Attorney General's Office Medicaid Fraud Control Unit

## LARGEST MEDICAID FRAUD CASE INVESTIGATED BY A STATE IN U.S. HISTORY: \$1.5 BILLION CASE

### THE INVESTIGATION

The Virginia Medicaid Fraud Control Unit (MFCU) of the Virginia Attorney General's Office was contacted by whistleblowers with allegations of off-label drug marketing by Abbott Pharmaceuticals in 2007. The whistleblowers contacted Virginia even though they were not from here because of the nationally-known reputation of

the Virginia's MFCU's ability to investigate and prosecute Medicaid fraud cases.

Investigators from the MFCU spent more four years and 40,000 man-hours on this investigation which included more than one million records and interviews in 26 states.

The investigation uncovered that Abbott had illegally marketed

the drug Depakote for non-approved uses and paid rebates to health care professionals and long-term care pharmacies for increasing their off-label use of Depakote.



### THE OUTCOME

**\$239 million:** the states' share of the Medicaid program.

**\$291 million:** Medicare and other federal programs' share.

**\$500 million:** fine to the federal government.

**\$198.5 million:** criminal asset forfeiture penalties.

**\$1.5 million** Virginia MFCU's recovery of its investigative costs.

**\$4.2 million:** Virginia's share of settlement.



AG Cuccinelli discusses the cooperative investigation, led by Virginia's Medicaid Fraud Control Unit, into Abbott Labs' illegal off-label marketing of Depakote (photo courtesy Department of Justice)

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On May 7, 2012, Attorney General Ken Cuccinelli and Deputy U.S. Attorney General James Cole announced that Abbott pled guilty and agreed to pay **\$1.5 billion** to the federal government and the states.

The settlement is broken down as follows:

**\$270 million:** federal government's share of the Medicaid Program.

# VIRGINIA ATTORNEY GENERAL'S OFFICE MEDICAID FRAUD CONTROL UNIT



**Salem, Va.** Olivia Claud (right), Insurance Outreach Coordinator of the State Corporation Commission's Bureau of Insurance, and Mickey Mixon, MFCU Outreach Coordinator, attended Senior Day in Salem on April 18th. This annual event is one of the largest senior shows in the area with over 2,200 seniors attending.

## Community Appreciation Letters

Thank you so much for your presentation at the **Greater Augusta Coalition Against Adult Abuse** meeting on March 22, 2012. It was a pleasure to see you again. The coalition members were to say the least astounded with the presentation. Your program opened eyes and brought a great deal of awareness to the issues facing us today. The program was informative and well received. Everyone spoke very highly about the presentation. I can't thank you enough for taking the time to come and visit with us. We certainly appreciate your time and energy and look forward to working with you in the future.

Regards,  
Corporal Derek Almarode  
Augusta County Sheriff's Office  
G.A.C.A.A.A. Co-Chair

**Request a presentation on Medicaid Fraud for your church, club or civic group. Contact Randy Davis (Eastern Virginia) at 804-786-7750 or Mickey Mixon (Western Virginia) at 540-562-3571 today.**

## Across the Corners of the Commonwealth

The Virginia MFCU's Community Outreach Coordinators will soon be coming to a church, club or civic group near you! Here's a partial schedule of the upcoming presentations about our Elder Abuse & Neglect Squad:

**June 6 Powhatan County TRIAD Meeting, 10:00 a.m., Powhatan Village Building**

**June 8 Shenandoah County TRIAD Meeting, 8:30 a.m., Woodstock, VA**

**June 14 Hanover/Ashland TRIAD Meeting, 1:30 p.m., Ashland Police Department**

**June 21 Chesterfield County TRIAD Meeting, 9:00 a.m., Police Support Services Building**

**June 21 Petersburg TRIAD Meeting, 2:00 p.m., Good Shepherd Baptist Church**

**June 25 Prince George County TRIAD Meeting, 1:00 p.m., Prince George Library, 6402 Courthouse Rd.**

**July 19 Prince Edward County TRIAD Meeting, 2:00 p.m., Prince Edward Courthouse**



Virginia Attorney General  
Kenneth T. Cuccinelli, II

## Commitment.

**"I'm committed to stopping fraud against taxpayers and I've made fighting Medicaid fraud a priority in Virginia by increasing the size of our fraud team by 50 percent over the last two years," said Virginia Attorney General Ken Cuccinelli. "I'm committed to ensuring that money intended for medical services for the poor isn't stolen from them through fraud. Medicaid dollars are limited, and fraud deprives people in true need of necessary medical care."**

*The Abbott case was investigated and prosecuted through a joint effort between the men and women of the Medicaid Fraud Control Unit, the Department of Justice, the U.S. Attorney's Office for the Western District of Virginia and the Civil Division's Consumer Protection Branch.*

*Assistance was also provided by the HHS Office of Counsel to the Inspector General, the Center for Medicare and Medicaid Services, the Office of General Counsel—CMS Division, the FDA's Office of Chief Counsel and NAMFCU.*

## What if you suspect fraud by a Medicaid Recipient?

### What can you do if you suspect fraud by a Medicaid recipient?

**Please contact the Department of Medical Assistance Services (DMAS).**

Recipient fraud can include:

- \*the deliberate failure to report income or to disclose resources
- \*unreported change in household member composition
- \*uncompensated asset transfer
- \*Medicaid card sharing, prescription fraud and drug Diversion

Non-fraud examples are:

- \*eligibility errors due to recipient misunderstanding
- \*agency errors
- \*when Medicaid-covered services continue during the appeal process and the agency's cancellation action is upheld
- \*When the investigation confirms that an individual received Medicaid services fraudulently, the claims paid on the recipient's behalf are determined and the overpayment amount is identified. Recipient fraud

cases can be prosecuted by the local Commonwealth's

Attorney's Office or in Federal court when joint investigations are involved.

*The MFCU is statutorily prohibited from investigating Medicaid recipient fraud.*

**To Report Recipient Fraud, Contact DMAS:**

**By telephone:**  
1-866-486-1971 or  
(804) 786-1066

**By mail:**  
Department of Medical Assistance Services  
Recipient Audit Unit  
600 East Broad Street  
Suite 1300  
Richmond, Virginia 23219

**By e-mail:**  
[RecipientFraud@DMAS.virginia.gov](mailto:RecipientFraud@DMAS.virginia.gov)



### ***“Like” Our Facebook Page!***


*Check out the new Virginia Medicaid Fraud Control Unit's Facebook page today at [www.facebook.com/VAMFCU](http://www.facebook.com/VAMFCU) to keep up with the latest news on Medicaid Fraud from across the Commonwealth and the nation. While there, you can also access detailed information about MFCU, including our mission, awards, and contact information. View and download photos of our recent visits to community organizations. Watch videos and check our calendar of events for upcoming presentations in your area. And, don't forget to click the “like” button if you want to join our list of friends.*





# **VIRGINIA ATTORNEY GENERAL'S OFFICE**

## **Medicaid Fraud Control Unit Elder Abuse and Neglect Squad**



**We are on the web:  
[www.ag.virginia.gov](http://www.ag.virginia.gov)**

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Richmond, VA 23219  
Phone: 1-800-371-0824  
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Fax: 804-786-3509  
E-mail:  
[MFCU\\_mail@oag.state.va.us](mailto:MFCU_mail@oag.state.va.us)**

**For more information, additional copies, or to be placed on our  
distribution list to receive quarterly copies of this newsletter, please  
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**VIRGINIA OFFICE OF THE ATTORNEY GENERAL**